

Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 RSC-01 SIL-01 AID-05 FRB-01 TRSE-00 XMB-02

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TO SECSTATE WASHDC 7628

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E.O. 11652: N/A

TAGS: ELAB, NI

SUBJECT: BANKS VICTIMS OF UDOJI-RELATED STRIKE

REF: LAGOS 377

SUMMARY: MAJORITY OF COMMERCIAL BANKS IN NIGERIA HIT BY INDUSTRIAL ACTION JANUARY 15 AS SENIOR STAFF SUPPORT UNION DEMAND UDOJI-RELATED WAGE INCREASE. UNION COVERING JUNIOR BANK STAFF HAS NOT JOINED IN DISPUTE BUT MOST BANKS HAVE CLOSED. SINCE SENIOR STAFF ALREADY WELL PAID, AND FMG HAS ASKED PRIVATE EMPLOYERS NOT TO INCREASE SENIOR STAFF SALARIES, WE TEND TO BELIEVE DISPUTE IS MOTIVATED IN LARGE PART BY POLITICAL RIVALRY BETWEEN BANK UNIONS. FMG HAS APPOINTED CONCILIATOR TO ATTEMPT RESOLVE DISPUTE. END SUMMARY

1. NATIONAL UNION OF NIGERIAN BANK EMPLOYEES (NUNBE), HEADED BY LEFT-WING UNIONIST BABS ANIMASHAUN, BEGAN WORK-TO-RULE INDUSTRIAL ACTION JANUARY 15 TO PROTEST EMPLOYERS REFUSAL TO PAY 200 PERCENT WAGE INCREASE.

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UNION, WHICH COVERS SENIOR STAFF EMPLOYEES IN MOST

COMMERCIAL BANKS, POINTS OUT ECONOMIC IMPACT OF UDOJI AWARD AFFECTS ALL, AND BANKS SHOULD MAKE SUBSTANTIAL PAY INCREASE BACK-DATED TO APRIL 1974 TO PROTECT THEIR WORKERS' INTERESTS.

2. NIGERIAN UNION OF BANK, INSURANCE AND ALLIED WORKERS (NUBIAW), LED BY MODERATE UNIONIST N. PEPPLE, HAS NOT JOINED IN THIS ACTION AND IS CONTINUING NEGOTIATIONS WITH EMPLOYERS ON WAGE INCREASES FOR BANKS' JUNIOR STAFF. SEVERAL BANKS, HOWEVER, HAVE BEEN CLOSED BY DISPUTE SINCE SENIOR STAFF SERVICES ARE NECESSARY FOR NORMAL OPERATIONS. PRESS REPORTS INDICATE NATION'S COMMERCIAL ACTIVITIES BEING SERIOUSLY AFFECTED.

3. FMG, ON JANUARY 16, APPOINTED CONCILIATOR TO ATTEMPT RESOLVE DISPUTE, AND ADVISED WORKERS TO RETURN TO WORK.

4. COMMENT: FMG WHITE PAPER ON UDOJI REPORT STATED GENERAL INCREASES IN PRIVATE SECTOR WOULD ONLY SERVE TO WIDEN EXISTING GAP, ESPECIALLY AT TOP LEVELS, BETWEEN PRIVATE AND PUBLIC SECTOR. IMPLICATION OF THIS IS THAT FMG DISCOURAGES SUBSTANTIAL WAGE INCREASES FOR PRIVATE SECTOR SENIOR STAFF EMPLOYEES AS THIS WOULD NEGATE INTENT OF UDOJI REPORT TO HARMONIZE SENIOR-LEVEL SALARIES BETWEEN TWO SECTORS. NUNBE REQUEST GOES FAR BEYOND COST OF LIVING INCREASE SINCE BEGINNING OF WAGE FREEZE, AND THEREFORE SEEMS DESIGNED TO PRECIPITATE CONFRONTATION BETWEEN UNION AND EMPLOYERS. THUS FAR ONLY DISPUTES IN PRIVATE SECTOR OVER UDOJI HAVE BEEN LED BY LEFT-WING LEADERS WHO HAVE APPARENTLY NOT HEEDED NIGERIAN LABOUR CONGRESS (NLC) CALL FOR RESTRAINT. THIS MAY BE INDICATION THAT SOME LEFT-WING UNIONISTS ARE PREPARED TO USE EMOTIONAL UDOJI ISSUE TO GAIN ADVANTAGE OVER MODERATE UNIONS, BY SHOWING UNION MEMBERS LEFT-WING IS PREPARED TO TAKE STAND ON ISSUE DESPITE FMG RESTRICTIONS. CONTINUATION OF THIS ATTITUDE COULD CAUSE SPLIT IN NASCENT LNC, AND COULD TRIGGER MORE DEFINITIVE STAND BY FMG.

5. ONE IRONIC RESULT OF DISPUTE IS THAT IT HINDERS FMG LIMITED OFFICIAL USE

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PAYMENT OF ARREARS FLOWING FROM FMG WHITE PAPER TO SENIOR FEDERAL CIVIL SERVANTS. WHILE JUNIOR CIVIL SERVANTS WILL RECEIVE THEIR ARREARS IN CASH, SENIOR GROUP GETS THEIR IN FORM OF CHECKS WHICH NOT READILY NEGOTIABLE UNTIL BANKS RE-OPEN.
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